USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.08

Required Report - public distribution

Date: 12/16/2004

GAIN Report Number: GR4034

Greece

Citrus

Annual

2004

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Report Highlights:
Orange production in 2003/04 is about 200,000 tons lower than 2002/03. The current crop is of very poor quality and large amounts have been channeled to juice processors. The 2004/05 crop, late and also low, is at about 850,000 tons. Fresh orange imports are mainly South African. In 2003 exports were less than 300,000 T to E. Europe and the Balkans; tangerine exports are to the same customers. In 2003 FCOJ imports, mostly from Brazil, doubled from '02 levels and are expected to be at slightly lower levels in '04. Lemon production and export continue to decline and imports have reached 24,000 tons, mainly from Argentina.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Rome [IT1]
[GR]

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Executive Summary

Oranges

Fresh orange production for MY 2003/04 was approximately 950,000 tons of very low quality fruit. This figure revises upwards that reported in April 2004 (GR 2004). It was predicted then that the 2003/04 output was not going to exceed 600,000 T, but according to Min Ag and Trade sources, farmers have harvested everything available on trees until late spring 2004, but have obtained a product of very poor quality. Statistically, these amounts are recorded, based on reports from local Min. Ag. authorities in the citrus producing regions and they are reported as the official national output for the period of discussion, although a large proportion was wasted and or channeled to juice production. The January 24th frost and a second disastrous frost which struck later in February cut the orange output by about 200,000 tons, compared to 2002/2003 production.

Serious damage to trees was reported from hilly regions in the south, negatively affecting the 2004/2005 output. In 2004/2005 the output of oranges is expected to reach approximately 850,000 T, a further reduction from that produced last year, mainly due to tree damage. This figure is subject to further revisions in spring 2005. The 2004/2005 orange output reduction puts the crop forecast at approximately 28 percent below that expected in a good year. Farmer organizations report that the 2004 orange crop is behind by about 1-2 weeks and harvest will take place later than usual, which will probably result in late exports to traditional Greek markets abroad (mainly to Poland, Hungary and the Balkans).

According to our sources, in MY 2003/2004, the total amount of oranges, which were consumed locally or went for processing has reached 692,000 T of low quality fruit. Wasted amounts and on-farm consumption of none marketable oranges (as fresh) are incorporated into the fresh domestic consumption category in the PSD. A lot of damaged oranges are included in the processing category. Of those oranges available, the best were exported to satisfy contracts and only a minor amount of good quality fruit was marketed in the Greek fresh markets during 2003/2004.

In order to satisfy some of the domestic demand with better quality oranges, traders have imported from South Africa, Turkey, Israel and Cyprus. On a calendar year basis (CY 2003), these amounts reached 7,302 T from various origins at a value of US$4.9 million. According to the Fresh Fruit Exporters Association, imports of oranges in MY 2004/2005 will continue to cover demand for high quality fruit, and over periods of shortages of domestic fruit (the summer season).

The only region in Greece that practically escaped the severe frost of early 2004 was the island of Crete. According to co-operatives located in Crete, the majority of Cretan oranges (mostly of the Valencia variety) were sold in the domestic and/or the international markets by April 2004. Farm prices in Crete have reached record levels, reported to be at €0.8 - €0.9/kg compared to €0.17 - €0.19/kg in other regions of Greece severely hit by frost. In the areas with frost, fruit quality was severely affected.

Policy measures taken by the GOG Ministry of Agriculture, Agricultural Insurance Fund (ELGA) and decisions on compensation price levels to be paid to farmers were reported and analyzed in GR 4007 (Citrus Semi Annual report). To date, all compensation payment procedures to citrus farmers have been completed.

On a calendar year basis (CY 2003), Greece exported 290,033 T of oranges at a total value of US$132.3 million. Main destinations were Hungary, Romania, Poland, the Czech Republic, Yugoslavia and Germany. The EU has absorbed only 32,000 T valued at US$14.3 million. In the same period, imports are reported at 7,302 T valued at US$4.9 million.

Tangerines

The 2003/2004 tangerine crop was also hit by the two consecutive frosts; the final output is reported at 53,000 T. In the most important tangerine-producing regions of Greece a serious reduction in output was reported, mostly for the Nova variety. The 2004 production of clementines has shown a 50 percent increase over that produced a year earlier, while the total tangerine harvest for 2004/05 with the same tree population under cultivation, is estimated to be at 60,000 T, a 13 percent increase over a year earlier, but still 35 percent down from a normal year's output. This is a preliminary estimate for the 2004/2005 marketing season, subject to further revisions. Quantity and quality of clementines is reported to be good to excellent this year. Clementines and Ortanics are the only varieties of tangerines facing problems in the market. They are usually absorbed smoothly at satisfactory prices. Farm gate prices are reported at €0.42 – €0.46/kg which usually increases later in the season.

On a calendar year basis (CY 2003), Greece exported over 20,000 T of tangerines for a total value of US$14.7 million, with 80 percent to non-EU states in Europe. Imports for the same period were at 992 T valued at US$0.87 million. Over half of these imports come from Turkey followed by Italy, Israel and Spain.

Lemons

Fresh lemon production for MY 2004/05 is forecast to reach 63,000 T, a further reduction of 10 percent, compared to last year's output. This is due to severe frost damage to lemon trees in the northern parts of Peloponnese. This region to date has not fully recovered. Farmers who declared a total disaster of their lemon production in 2003/2004 have already received their compensation payments from the Agricultural Insurance Fund (ELGA) as in the case of oranges and tangerines. An additional cause of the decline of lemon production in Greece is that farmers uproot trees and do not replant. This is due to increased competition from imports and from countries where lemons are produced at a much lower cost due to cheap labor (Argentina, Turkey, etc). Turkish lemons, although still in small quantities, are easily shipped to the Aegean islands and from there to the Greek mainland markets and sold at highly competitive prices. Greek exports of lemons in CY 2003 reached 21,325 T destined to Eastern European and Balkan markets, valued at US$10.4 million, while imports were much higher, at 23,589 T with a total value at US$15.8 million.

Orange Juice

In the current 2004/2005 period, the quantity of fresh oranges expected to be processed is forecast at 290,000 T, compared to 300,000 T in 2003/04 and to 331,000 T a year earlier. The 2004/05 processing figures are subject to revision later in the season. Final quantity channeled to processing is directly dependent on crop quality and the amounts of fresh oranges absorbed in both the domestic and the foreign fresh markets. In 2003/04, the average price paid to farmers for fresh oranges channeled to processing was €0.03 /kg. This year price is expected to fluctuate at a little higher level, due to better quality of fruit expected to be processed. The EU subsidy paid to growers for oranges delivered to processors is the same as last year (€0.11/kg). The current ex-factory price for Greek OJC (60 Brix) is reported to be fluctuating between €1.190 - €1.270/ton.

The Greek juice industry this year and last (CYs 2003 and 2004) has increased its imports of Brazilian frozen orange juice concentrate (OJC) at 66 Brix, mostly through the

Netherlands and Germany, in order to mix it with domestic OJC in a ratio 2:1 (1/3 Greek OJC) or 3:1 (1/4 Greek OJC). According to industry sources, the price of imported Brazilian orange juice concentrate has shown a remarkable decline in recent years, and is estimated at US$850/ton. A small quantity of concentrate is reported to have been purchased from the US (close to 1,000 T) at the value of US$1,445/T (CIF Basis).

Lemon Juice

In MY 2003/04 9,000 T of fresh lemons were delivered to processors, a considerable reduction from the norm of 12,000 T. A further reduction to 8,000 T is anticipated for the period 2004/05. The yield for lemon juice is reported at 15 -17 kg of fresh lemons, needed to produce 1 kg of lemon juice, fluctuating according to year and quality of fruit. Lemon juice imported mainly through EU member states fluctuates between 300 – 350 T annually. No exports from Greece take place.

Policy

CAP reform for citrus is still an ongoing negotiation between the EU and the producing member states. Discussions are expected to be finalized in 2005 and following that decisions for the sector will be taken. The Greek Ministry of Rural Development and Food (Ministry of Agriculture), has officially announced its position, which supports the views of PASEGES (The Pan Hellenic Confederation of Agricultural Cooperatives), which favors full decoupling (separation of subsidies from production). However, the views of certain cooperatives around the country (members of PASEGES) suggest that benefits from decoupling in the citrus sector are not uniform among producers. Those who produce high quality fruit for the fresh markets are different from those who produce and/or deliver to the processing sector. A number of dscussions will take place until the position of Greece is finalized.

A proposal which is currently being discussed among farming organizations is the support of €800/HA for all orange producers, independent of the volume and type of fruit they produce, per area unit. This proposal when implemented must take into consideration the historical data for the last 3 years. Farmer organizations keep these records and publish it. These ideas are questioned by farmers who, although members of a local farmer group, may not have marketed their products through their farming group mechanisms. Also, there is a fear that some regions will be discriminated against. Those who produce less marketable products think that they will not be favored because their production is usually channeled to processors.

Partial decoupling is not discussed widely because such a policy will cause large losses of EU funds for the sector. On the other hand, full decoupling will offer EU funds until the year 2013, but it is questionable whether the local juice industry will benefit, because farmers will be discouraged from delivering their fruit to juice producers at low prices estimated today at €0.025 and €0.03 per kilogram.
All farmers in this sector think full decoupling is needed. Farmers fear that the future of the sector post-2013 is highly questionable. The world price will be too low to justify their continued farming these of these tree crops, which would mean a break in supplies to the juice industry. Therefore, citrus farmers see a need for development of the entire sector.

PS&D Table, Oranges, Fresh

PSD Table

Country	**Greece**						
Commodity	**Oranges, Fresh**				(HECTARES)(1000 TREES)(1000 MT)		
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [	New]
Market Year Begin		09/2002		09/2003		09/2004	MM/YYYY
Area Planted	39650	39650	39650	39650	0	39650	(HECTARES)
Area Harvested	39000	39000	39000	39000	0	39000	(HECTARES)
Bearing Trees	17200	17200	17200	17200	0	17200	(1000 TREES)
Non-Bearing Trees	260	260	260	260	0	260	(1000 TREES)
TOTAL No. Of Trees	17460	17460	17460	17460	0	17460	(1000 TREES)
Production	1145	1145	550	950	0	820	(1000 MT)
Imports	1	1	3	2	0	5	(1000 MT)
TOTAL SUPPLY	1146	1146	553	952	0	825	(1000 MT)
Exports	267	267	250	260	0	270	(1000 MT)
Fresh Dom. Consumptior	548	548	78	392	0	265	(1000 MT)
Processing	331	331	225	300	0	290	(1000 MT)
TOTAL DISTRIBUTION	1146	1146	553	952	0	825	(1000 MT)

Export Trade Matrix, Oranges, Fresh

Export Trade Matrix

Country Greece

Commodit Oranges, Fresh

Time Period		Units:	MT
Exports for:	2002		**2003**
U.S.		U.S.	20
Others		Others	
Netherlands	8501	Germany	19500
Germany	15369	Netherlands	4962
Austria	2057	Denmark	2958
Sweden	1052	Other EU	4499
UK	1611	>Sub Total EU	31919
Other EU	26684	Hungary	42389
>Sub Total EU	55274	Romania	40937
Hungary	34715	Poland	26936
Romania	33063	Czech Republic	24159
Russia	21671	Yugolsavia	26286
Total for Others	144723		192626
Others not Liste	129992		97387
Grand Total	274715		290033

Import Trade Matrix, Oranges, Fresh

Import Trade Matrix

Country Greece

Commodit Oranges, Fresh

Time Period		Units:	MT
Imports for:	2002		**2003**
U.S.		U.S.	
Others		Others	
Italy	276	Italy	144
Austria	190	Germany	449
Germany	442	Netherlands	173
Other EU	143	France	187
>Sub Total EU	1051	Spain	105
Argentina	998	Other EU	11
Uruguay	213	>Sub Total EU	1069
S. Africa	1471	S. Africa	4825
Turkey	370	Turkey	845
Total for Others	4103		6739
Others not Liste	31		563
Grand Total	4134		7302

PS&D Table, Orange Juice

PSD Table

Country	**Greece**			Degrees Brix			
Commodity	**Orange Juice**			(MT)			
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		09/2002		09/2003		09/2004	MM/YYYY
Deliv. To Processors	331000	331000	225000	300000	0	290	(MT)
Beginning Stocks	3200	3200	3100	3100	2500	2600	(MT)
Production	19300	19300	12000	16000	0	15400	(MT)
Imports	10000	10000	13000	20000	0	18000	(MT)
TOTAL SUPPLY	32500	32500	28100	39100	2500	36000	(MT)
Exports	10500	10500	8000	6500	0	7000	(MT)
Domestic Consumption	18900	18900	17600	30000	0	26000	(MT)
Ending Stocks	3100	3100	2500	2600	0	3000	(MT)
TOTAL DISTRIBUTION	32500	32500	28100	39100	0	36000	(MT)

Export Trade Matrix, Orange Juice

Export Trade Matrix

Country Greece
Commodit Orange Juice

Time Period		Units:	MT
Exports for:	2002		**2003**
U.S.	2	U.S.	2
Others		Others	
Holland	55	Italy	253
Germany	229	Germany	415
Spain	534	Spain	388
UK	17	UK	19
Other EU	132	Other EU	17
>Sub Total EU	967	>Sub Total EU	1092
Bulgaria	172	Bulgaria	501
FYROM	419	FYROM	974
Albania	166	Cyprus	331
		Japan	1252
Total for Others	1724		4150
Others not Liste	726		928
Grand Total	2452		5080

Import Trade Matrix, Orange Juice

Import Trade Matrix

Country Greece

Commodit Orange Juice

Time Period		Units:	MT
Imports for:	2002		**2003**
U.S.	1008	U.S.	911
Others		Others	
Holland	3236	Netherlands	3659
Germany	6249	Germany	7658
Spain	356	Spain	920
France	983	France	126
Other EU	3169	Italy	146
>Sub Total EU	13993	Belg & Lux	3611
Bulgaria	2045	Other EU	60
Cyprus	1959	>Sub Total EU	16180
		Bulgaria	1988
		Cyprus	1884
Total for Others	17997		20052
Others not Liste	29		419
Grand Total	19034		21382

PS&D Table, Lemons, Fresh

PSD Table

Country Greece

Commodity Lemons, Fresh

(HECTARES)(1000 TREES)(1000 MT)

	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		09/2002		09/2003		09/2004	MM/YYYY
Area Planted	11800	11800	11800	11800	0	11800	(HECTARES)
Area Harvested	11800	11800	11800	11800	0	11800	(HECTARES)
Bearing Trees	4150	4150	4150	4150	0	4150	(1000 TREES)
Non-Bearing Trees	30	30	30	30	0	30	(1000 TREES)
TOTAL No. Of Trees	4180	4180	4180	4180	0	4180	(1000 TREES)
Production	108	108	70	70	0	63	(1000 MT)
Imports	10	10	15	15	0	20	(1000 MT)
TOTAL SUPPLY	118	118	85	85	0	83	(1000 MT)
Exports	10	10	11	11	0	10	(1000 MT)
Fresh Dom. Consumptior	98	98	65	65	0	65	(1000 MT)
Processing	10	10	9	9	0	8	(1000 MT)
TOTAL DISTRIBUTION	118	118	85	85	0	83	(1000 MT)

Export Trade Matrix, Lemons, Fresh

Export Trade Matrix

Country Greece

Commodit Lemons, Fresh

Time Period		Units:	MT
Exports for:	2002		**2003**
U.S.		U.S.	
Others		Others	
Germany	628	Germany	1852
Italy	114	Italy	520
Other EU	284	Other EU	566
>Sub Total EU	1026	>Sub Total EU	2938
Bulgaria	2220	Bulgaria	4042
Romania	729	Romania	3674
Yugoslavia	2597	Yugoslavia	3540
		FYROM	2362
		Hungary	989
		Albania	823
Total for Others	6572		18368
Others not Liste	4878		2957
Grand Total	11450		21325

Import Trade Matrix, Lemons, Fresh

Import Trade Matrix

Country Greece

Commodit Lemons, Fresh

Time Period		Units:	MT
Imports for:	2002		**2003**
U.S.		U.S.	
Others		Others	
Italy	143	Italy	168
Germany	699	Germany	1013
Holland	107	Spain	968
Other EU	403	France	114
>Sub Total EU	1352	Netherlands	53
Argentina	16733	Belg & Lux	16
S. Africa	156	>Sub Total EU	2332
Turkey	6371	Argentina	20931
		Turkey	195
		Uruguay	131
Total for Others	24612		23589
Others not Liste	3		
Grand Total	24615		23589

PS&D Table, Lemon Juice

PSD Table

Country Greece

Commodity Lemon Juice (MT)

	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [	New]
Market Year Begin		09/2002		09/2003		09/2004	MM/YYYY
Deliv. To Processors	10000	10000	9000	9000	0	8000	(MT)
Beginning Stocks	75	75	77	77	68	68	(MT)
Production	600	600	560	560	0	500	(MT)
Imports	300	300	330	330	0	360	(MT)
TOTAL SUPPLY	975	975	967	967	68	928	(MT)
Exports	1	1	1	1	0	0	(MT)
Domestic Consumption	897	897	898	898	0	900	(MT)
Ending Stocks	77	77	68	68	0	28	(MT)
TOTAL DISTRIBUTION	975	975	967	967	0	928	(MT)

PS&D Table, Tangerines Fresh

PSD Table

Country Greece

Commodity Tangerines, Fresh (HECTARES)(1000 TREES)(1000 MT)

	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin		09/2002		09/2003		09/2004	MM/YYYY
Area Planted	7500	7500	7500	7500	0	7500	(HECTARES)
Area Harvested	7000	7000	7000	7000	0	7500	(HECTARES)
Bearing Trees	3300	3300	3300	3300	0	3300	(1000 TREES)
Non-Bearing Trees	50	50	50	50	0	50	(1000 TREES)
TOTAL No. Of Trees	3350	3350	3350	3350	0	3350	(1000 TREES)
Production	79	79	53	53	0	60	(1000 MT)
Imports	0	0	1	1	0	1	(1000 MT)
TOTAL SUPPLY	79	79	54	54	0	61	(1000 MT)
Exports	32	32	25	25	0	27	(1000 MT)
Fresh Dom. Consumptior	46	46	28	28	0	33	(1000 MT)
Processing	1	1	1	1	0	1	(1000 MT)
TOTAL DISTRIBUTION	79	79	54	54	0	61	(1000 MT)

Export Trade Matrix, Tangerines, Fresh

Export Trade Matrix

Country	Greece		
Commodit	Tangerines, Fresh		
Time Period		Units:	MT
Exports for:	2002		**2003**
U.S.		U.S.	
Others		Others	
Italy	956	Netherlands	1557
Germany	5223	Germany	2762
Holland	1327	Other EU	588
Other EU	301	>Sub Total EU	4907
>Sub Total EU	7807	Bulgaria	4510
Bulgaria	3880	Poland	3087
FYROM	2338	Albania	3330
Albania	4546	Yugoslavia	2373
Hungary	3526	Hungary	1970
Poland	5047	FYROM	1881
Total for Others	27144		22058
Others not Liste	6356		3252
Grand Total	33500		25310

Import Trade Matrix, Tangerines, Fresh

Import Trade Matrix

Country Greece

Commodit Tangerines, Fresh

Time Period		Units:	MT
Imports for:	2002		2003
U.S.		U.S.	
Others		Others	
Italy	33	Italy	207
Germany	61	Germany	137
Spain	92	Spain	30
Other EU	171	Netherlands	51
>Sub Total EU	357	France	58
Uruguay	48	Belg & Lux	15
Turkey	731	>Sub Total EU	498
		Turkey	438
		Israel	44
		South Africa	12
Total for Others	1136		992
Others not Liste	31		
Grand Total	1167		992